

Message Text

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ACTION L-03

INFO OCT-01 EUR-12 ISO-00 OPR-02 TRSE-00 DODE-00
FBOE-00 A-01 /019 W
-----041700 241907Z /53
R 241719Z APR 78
FM AMEMBASSY BONN
TO SECSTATE WASHDC 7986

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DEPARTMENT FOR L/M BURMAN; L/EUR GANTZ

E. O. 11652: N/A
TAGS: AFSP, AREC, AIFN, GW
SUBJECT: IRS INVESTIGATION - EMBASSY BONN, AND BONN
RECREATION ASSOCIATION

REF: STATE 198084, 1977, AND 042292, 1978; AND BONN
13455, AND 13411, 1977

1. BONN IRS ATTACHE SPENCER HAS ADDRESSED TWO LETTERS
DATED APRIL 20, 1978, AS FOLLOWS, TO THE ADMINISTRATIVE
COUNSELOR REQUESTING RELEASE TO IRS OF EMBASSY
DOCUMENTS:

A. QUOTE. RE: POTENTIAL LIABILITY OF AMERICAN EMBASSY-
BONN FOR INCOME WITHHOLDING AND EMPLOYMENT TAX FOR
EMPLOYEES WORKING FOR AMERICAN EMBASSY-BONN UNDER CON-
TRACT BETWEEN AEA AND AMERICAN EMBASSY-BONN.

I ADDRESSED A LETTER TO YOU, SUBJECT AS ABOVE, DATED 15
AUGUST 1977. IN YOUR REPLY DATED 22 AUGUST 1977 YOU
INFORMED ME THAT THE DEPARTMENT OF STATE HAD ADVISED
EMBASSY BONN THAT THE EMBASSY DOES NOT HAVE AUTHORITY TO
RELEASE TO ME DATA REQUESTED IN MY LETTER.

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THE NEED FOR AND RIGHT TO SUCH INFORMATION WAS DISCUSSED
BY MYSELF, MY SUPERIOR, HAROLD BURMAN, OFFICE OF LEGAL
ADVISER, DEPARTMENT OF STATE AND RICHARD W. SMITH,
ASSISTANT SECRETARY FOR OPERATIONS, DEPARTMENT OF STATE
ON 15 DECEMBER 1977.

DURING THE MEETING ON 15 DECEMBER 1977, MR. BURMAN STATED THAT INSTRUCTIONS WOULD BE GIVEN TO AMERICAN EMBASSY, BONN TO RELEASE REQUESTED INFORMATION TO ME.

DURING A MEETING ON 31 JANUARY 1978 BETWEEN DOD, STATE, TREASURY AND INTERNAL REVENUE SERVICE REPRESENTATIVES, IT WAS POINTED OUT THAT WHILE DOD WAS LIVING UP TO ITS COMMITMENTS TO CAUSE INFORMATION TO BE RELEASED, THAT STATE HAD NOT YET DONE SO. ON THAT DATE MR. BURMAN AGAIN STATED HE WOULD CAUSE THE SUBORDINATE UNITS, U.S. EMBASSY, BONN, AND U.S. MISSION, BERLIN TO RELEASE REQUESTED INFORMATION FOR EXAMINATION BY REVENUE SERVICE REPRESENTATIVE SPENCER.

SECTIONS 5, 10, AND 12B OF STATE TELEGRAM 042292 DATED 17 FEBRUARY 1978 ARE GENERAL IN NATURE, RATHER THAN SPECIFIC.

BY THIS LETTER I AM REINSTITUTING MY REQUEST FOR SPECIFIC INFORMATION AS SET OUT BELOW:

1. COPIES OF ALL CONTRACTS WITH AEA (INCLUDING CONTRACT S 636-FA-10847) WITH RESPECT TO ALL U.S. CITIZEN AND RESIDENT ALIEN EMPLOYEES DIRECTED TO BE PLACED ON THE AEA PAYROLL BY THE AMERICAN EMBASSY, BONN, FOR ANY PERIOD AFTER 1 JANUARY 1974.
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2. COPIES OF ANY EMBASSY INSTRUCTIONS OR DIRECTIVES SHOWING THE PRIORITIES TO BE FOLLOWED IN MAKING "SUMMER HIRES".

3. THE PROCEDURE BY WHICH EACH SUCH EMPLOYEE IS HIRED, TESTED, TRAINED, SUPERVISED, PROMOTED, FIRED OR TERMINATED. (PROBABLY AN INSPECTION OF APPLICATIONS FOR EMPLOYMENT AND OTHER PERSONNEL FORMS USED, AND A DISCUSSION WITH THE PERSONNEL OFFICER, OR OTHER EMPLOYEE ADMINISTERING THIS PROGRAM, WOULD PROVIDE THE NECESSARY INFORMATION.)

IF THERE IS ANY QUESTION CONCERNING YOUR AUTHORITY TO MAKE AVAILABLE THE REQUESTED INFORMATION, I WOULD APPRECIATE YOUR NOTIFYING ME IN WRITING IMMEDIATELY SO I CAN CONTACT MY SUPERIORS, WHO CAN CONTACT STATE DEPARTMENT AND REQUEST ISSUANCE OF MORE DEFINITIVE DIRECTIVES AS TO THE SPECIFIC INFORMATION YOU CAN MAKE AVAILABLE TO

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TO SECSTATE WASHDC 7987

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ME. END QUOTE

B. QUOTE. RE: AEA

I ADDRESSED A LETTER TO YOU, SUBJECT AS ABOVE, DATED 15
AUGUST 1977. IN YOUR REPLY DATED 22 AUGUST 1977 YOU
INFORMED ME THAT THE DEPARTMENT OF STATE HAD ADVISED
EMBASSY BONN THAT THE EMBASSY DOES NOT HAVE AUTHORITY
TO RELEASE TO ME DATA REQUESTED IN MY LETTER.

THE NEED FOR AND RIGHT TO SUCH INFORMATION WAS DISCUSSED
BY MYSELF, MY SUPERIOR, HAROLD BURMAN, OFFICE OF LEGAL
ADVISER, DEPARTMENT OF STATE AND RICHARD W. SMITH,
ASSISTANT SECRETARY FOR OPERATIONS, DEPARTMENT OF STATE
ON 15 DECEMBER 1977.

DURING THE MEETING ON 15 DECEMBER 1977, MR. BURMAN
STATED THAT INSTRUCTIONS WOULD BE GIVEN TO AMERICAN
EMBASSY, BONN TO RELEASE REQUESTED INFORMATION TO ME.

DURING A MEETING ON 31 JANUARY 1978 BETWEEN DOD, STATE,
TREASURY AND INTERNAL REVENUE SERVICE REPRESENTATIVES IT
WAS POINTED OUT THAT WHILE DOD WAS LIVING UP TO ITS
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COMMITMENTS TO CAUSE INFORMATION TO BE RELEASED THAT STATE HAD NOT YET DONE SO. ON THAT DATE MR. BURMAN AGAIN STATED HE WOULD CAUSE THE SUBORDINATE UNITS, U.S. EMBASSY, BONN AND U.S. MISSION, BERLIN, TO RELEASE REQUESTED INFORMATION FOR EXAMINATION BY REVENUE SERVICE REPRESENTATIVE SPENCER.

SECTIONS 5, 10, AND 12B OF STATE TELEGRAM 042292 DATED 17 FEBRUARY 1978 ARE GENERAL IN NATURE, RATHER THAN SPECIFIC.

BY THIS LETTER I AM REINSTITUTING MY REQUEST FOR SPECIFIC INFORMATION AS SET OUT BELOW:

1. COPIES OF ANY LETTERS TO AUTHORITIES OF THE FEDERAL REPUBLIC OF GERMANY AND LOCAL AUTHORITIES BY EMBASSY OFFICIALS, OR MEMORANDUMS OF MEETINGS THEREWITH, CONCERNING THE STATUS OF AEA, AND ITS PREDECESSOR, ACA, AND MATTERS REFERRED TO IN ARTICLE VII.4.A.B. AND C. OF THE CONSTITUTION OF THE AEA - AND ANY REPLY IN WRITING BY THE AUTHORITIES OF THE FEDERAL REPUBLIC OF GERMANY AND LOCAL AUTHORITIES. THESE ARE HIGHLY RELEVANT TO THE ISSUE AND ARE NEEDED BACK TO THE ORGANIZATION OF ACA IN 1952.

2. A SCHEDULE, OR LISTING, OF THE LAND AND BUILDINGS OWNED BY THE AMERICAN EMBASSY MADE AVAILABLE FOR USE OF AEA (DESCRIPTION, SQUARE FOOTAGE, ETC.) FAIR RENTAL VALUE THEREOF FOR ANY OF THE YEARS 1974-1977, AND AMOUNTS PAID FOR USE THEREOF, IF ANY, BY AEA.

IF THERE IS ANY QUESTION CONCERNING YOUR AUTHORITY TO MAKE AVAILABLE THE REQUESTED INFORMATION I WOULD LIMITED OFFICIAL USE

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APPRECIATE YOUR NOTIFYING ME IN WRITING IMMEDIATELY SO THAT I CAN CONTACT MY SUPERIORS, WHO CAN CONTACT STATE DEPARTMENT AND REQUEST ISSUANCE OF MORE DEFINITIVE DIRECTIVES AS TO THE SPECIFIC INFORMATION YOU CAN MAKE AVAILABLE TO ME. END QUOTE

2. THE DEPARTMENT'S CURRENT INSTRUCTION ON THE RELEASE

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INFO OCT-01 EUR-12 ISO-00 OPR-02 TRSE-00 DODE-00
FBOE-00 A-01 /019 W
-----041778 241906Z /53

R 241734Z APR 78
FM AMEMBASSY BONN
TO SECSTATE WASHDC 7988

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OF BONN RECREATION ASSOCIATION INFORMATION TO IRS IS
CONTAINED IN STATE 042292, PARA 12.B, I.E. THAT THE
ASSOCIATION (AEA) SHOULD DISCLOSE RELEVANT INFORMATION
UPON REQUEST BY IRS REPRESENTATIVE SPENCER, INCLUDING
EMPLOYEES' NAMES, PAYROLL RECORDS, SS NUMBERS, AND OTHER
PAYEE INFORMATION. THE ASSOCIATION HAS COMPLIED WITH
THIS REQUEST THROUGH INSTRUCTIONS OF THE REPRESENTATIVE
AEA ATTORNEY.

3. THE EMBASSY HAS NOT, HOWEVER, PROVIDED STATE DEPART-
MENT RECORDS AND DOCUMENTS MAINTAINED IN EMBASSY FILES,
RELATIVE TO MR. SPENCER'S REQUESTS IN PARA 1, IN
CONNECTION WITH SPENCER'S DUAL ALLEGATIONS THAT THE
EMBASSY IS THE DIRECT EMPLOYER OF AEA AMERICAN CONTRACT
PERSONNEL, AND THAT AEA IS, IN FACT, AN OFFICIAL
INSTRUMENTALITY OF THE STATE DEPARTMENT. STATE REFTEL
198084, PARA 2, INFORMED EMBASSY BONN THAT IT DID NOT
HAVE AUTHORITY TO RELEASE THE REQUESTED DOCUMENTS.

4. PLEASE ADVISE EMBASSY BONN IF STATE REFTELS REMAIN
VALID AS CURRENT INSTRUCTIONS IN THIS MATTER. SPECIFIC
INSTRUCTIONS ARE REQUESTED, HOWEVER, IF A CONTRARY
AGREEMENT WAS REACHED BY THE DEPARTMENT WITH IRS, AT
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THE WASHINGTON JANUARY 31, 1978 MEETING AS STATED BY
MR. SPENCER.
STOESSEL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 24 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BONN07635
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780175-0022
Format: TEL
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780426/aaaaavef.tel
Line Count: 276
Litigation Code IDs:
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Litigation History:
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Office: ACTION L
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
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Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 198084
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 22 jul 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2874708
Secure: OPEN
Status: NATIVE
Subject: IRS INVESTIGATION - EMBASSY BONN, AND BONN RECREATION ASSOCIATION
TAGS: AFSP, ASEC, AFIN, GE
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/4bdac9a8-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
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EO Systematic Review
20 Mar 2014
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